RF Chips to Hit $1bn Mark by 2011

However, research director Lance Wilson is cautious: "The shape of the industry five years hence will depend on two critical shorter-term questions. At the manufacturing level, will the introduction of gallium nitride and silicon carbide as basic materials for the fabrication of RF power semiconductors mean the demise of Si LDMOS? And with mobile/3G infrastructure markets in decline, will they continue to drive the RF power semiconductor industry as they have in the past?"

To answer these and other questions, ABI Research undertook a market sizing study for all RF power semiconductors with power outputs above 5W, operating at frequencies of 3.8GHz and below. (A later study will target those operating at higher frequencies.) The study sizes the RF power semiconductor market into six usage-based segments and 22 sub-segments, providing a highly detailed, market-driven analysis.

The six major subdivisions are: wireless infrastructure, military, ISM, broadcast, commercial avionics, and non-cellular communications. Each of these is subdivided into between two and five specialty segments.

The need for such a study arose, according to Wilson, because: "This market has been overshadowed for many years by the wireless infrastructure sector. Now that new 3G/cellular wireless infrastructure deployments are declining, there is a paucity of information about how the rest of the industry is faring. This study puts wireless infrastructure – which is well understood – into the context of the rest of these markets."

The new study, "RF Power Semiconductor Devices: An In-Depth Market-Based Analysis" offers five-year detailed market forecasts for all major market segments and sub-segments, along with market share data for the major industry vendors, technologies and segments. It forms part of the RF Power Devices Research Service.

Recent forecasts from ABI Research indicate that the worldwide EDGE handset market will reach 148m shipments in 2006, representing 14% of the total mobile phone market.

Principal analyst Stuart Carlaw points out that, "EDGE is downplayed in the market because it cannot really provide a mobile broadband experience and is therefore not seen as being at the cutting edge of cellular handset evolution; it is viewed purely as an evolutionary step on the GSM ladder, and industry attention is very much focused on the newer technologies such as W-CDMA and HSDPA. That view is further compounded by the fact that operators do not actively report EDGE numbers in the public domain."

Apart from the sheer volume of EDGE handsets, the ABI Research analysts believe that the industry as a whole should pay more attention to this market because EDGE is the only choice for some carriers today to support any type of near-acceptable mobile broadband experience, especially those with no 3G licenses or those waiting for 4G. Carlaw adds, "When the prospects for EDGE are viewed in the context of next generation networks, its true value comes to light. The technology still represents the only viable choice for supporting seamless service delivery on a very wide area basis. Neither WiMAX nor LTE nor HSUPA will be rolled out with enough geographic coverage to guarantee minimum service requirements on a wide scale."

Web: www.abiresearch.com

EMCORE Revenues Up Again

EMCORE Corp., financial results for the fiscal 2006 third quarter ended June 30, 2006 included revenues for Q3 of $42.0m, an increase of 26% from the $33.2m reported in Q3 2005, and an increase of $0.8m, or 2%, from the $41.2m in the previous quarter.

All three of the Company's operating segments, Fiber Optics, Photovoltaics and Electronic Materials and Devices, posted revenue increases both year over year and sequentially. Gross profit for the quarter was $8.6m, an increase of 28% from $6.7m a year earlier.

The gross margin of 21% is flat compared to the previous quarter. Included in cost of goods sold for the three and nine-month periods ended June 30, 2006 are $0.3m and $0.7m of stock-based compensation expense, respectively.

No stock-based compensation expense was recognized in the previous year. For the nine months ended June 30, 2006, revenues totalled $123.0m, an increase of 36%, or $32.4 million as compared to the $90.6 m recorded for the nine months ended June 30, 2005.

Microsemi is king of Wi-Fi PAs... for now

In a new report research and consulting company Strategy Analytics confirms the leadership of US company Microsemi in the business of supplying Wi-Fi power amplifier products. However, it warns that the top slot is under threat from rising stars. Plus it is not just the companies which matter, silicon CMOS and SiGe will be making inroads putting the traditional GaAs stronghold under threat too.

In its RF and Wireless Component service, "Microsemi Holds onto Top Wi-Fi PA Position as Challengers Gain Strength," Strategy Analytics examines the dynamics affecting suppliers of power amplifiers and front end modules for Wi-Fi.

"Supplier Microsemi held onto its leading position in Wi-Fi PAs in 2005, yet Anadigics, TriQuint, Fairchild and RF Integrated made gains," said Chris Taylor, Director of the Strategy Analytics RF & Wireless Components service. "While Wi-Fi transceivers with on-chip CMOS PAs will take more of the market, we expect MIMO and 802.11n in higher power systems to drive an increase in the market for external GaAs and SiGe PAs and front-end modules. This will benefit Skyworks and RFMD, which have extensive module experience."